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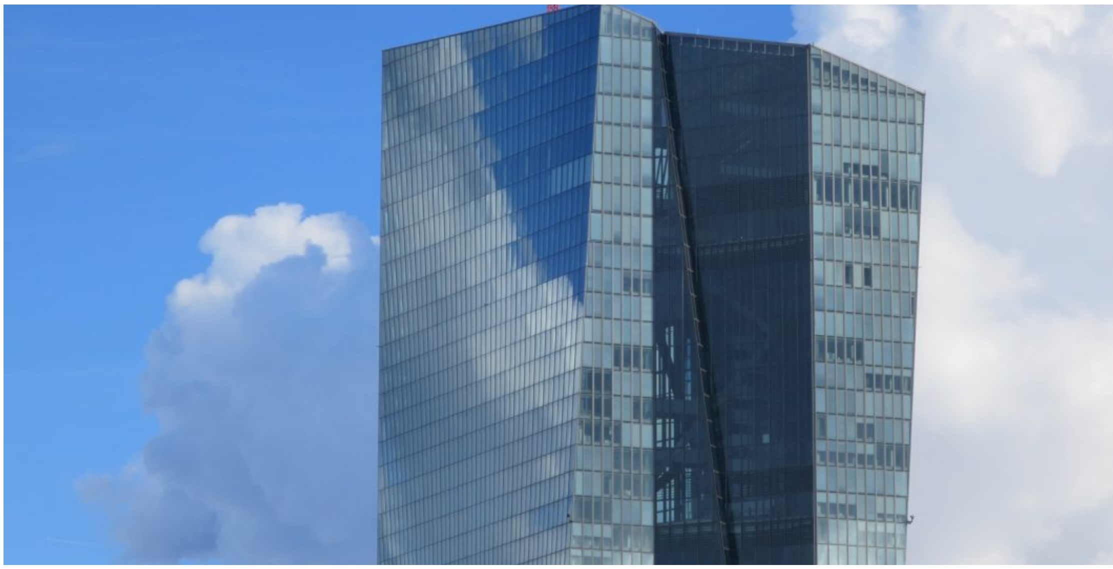

JOHN MILIOS 2017-05-19

A POLITICAL ECONOMY OF CONTEMPORARY CAPITALISM AND ITS CRISIS

DOCUMENTATION, ECONOFICTION CAPITAL, CAPITALISM, DERIVATE, FINANCE, MARX, MARXISM

A Political Economy of Contemporary Capitalism and its Crisis
Demystifying finance
Dimitris P. Sotiropoulos, John Milios, and Spyros Lapatsioras

The recent financial crisis is without precedent in the post- war period, a fac acknowledged by the majority of economists. At the same time, the crisis is a"marginal moment," which unveils and helps us rethink the workings of con temporary capitalism. The latter is mostly grasped under the term of financialization in relevant discussions. A crucial aspect of almost all contemporary heterodox approaches is the idea that the hegemony of neoliberalism, and of the globalized financial sector of theeconomy, produces a peculiarly predatory version of capitalism, one with inherent tendencies towards crisis. In the relevant economic literature the term financialization denotes the phenomenon of the increasing importance of financial markets, financial motives, financial institutions, and financial elites in the operation of the economy and its governing institutions, both at the national and international level.

Hence, for a Keynesian-like argumentation, neoliberalism is an unjust (interms of income distribution), unstable, anti-developmental variant of capitalismwhose direct consequence is a contraction of workers' incomes and proliferation of speculation. This general perspective also seems to be prevalent in Marxistdiscussions. For a number of theoreticians in fluenced by Marxism, two strains have been present: either neoliberal capitalism has not succeeded in restoring the profitability of capital (the rate of profit) to high levels, that is to say to levels satisfactory for dynamic capitalist accumulation or, contrarily, it has gone too far in this direction (high profits), leaving the working class with incomes insufficient for consuming the social product. In this fashion, capitalism appears to be entrapped (either since the mid 1970s or at some later point) in a perennial crisis, the end of which is not readily visible. The result of this process is that large sums of capital are unable to find outlets for investment, thus either engendering "bubbles," or underpinning ineffective policies of forced accumulation thatdepend on lending and debt.

In this book, we intend to embark upon a comprehensive assessment of the above mentioned views;; to specify their analytical origins and their capability for interpreting reality. Marx's analysis is revisited in an effort to show that his original system of categories can serve as a comprehensive framework for the interpretation of the developments in contemporary financial markets.

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